

Message Text

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PAGE 01 PRAGUE 02696 201058Z

15

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 AID-20 CIAE-00 COME-00 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-20 STR-08

CEA-02 L-03 DODE-00 PA-04 USIA-15 PRS-01 HEW-08 OPR-02

ABF-01 FS-01 A-01 AGR-20 DRC-01 /199 W
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R 200910Z NOV 73

FM AMEMBASSY PRAGUE

TO SECSTATE WASHDC 5436

INFO AMCONSUL MUNICH

AMEMBASSY VIENNA

LIMITED OFFICIAL USE PRAGUE 2696

E.O. 11652: N/A

TAGS: EFIN, PINS, CZ

SUBJECT: RUMORS OF CURRENCY CHANGES

1. RUMORS HAVE BEEN INCREASING THAT CZECHOSLOVAK GOVERNMENT INTENDS TO MAKE SOME SORT OF CHANGES IN PRESENT CURRENCY SYSTEM, POSSIBLY INVOLVING CHANGE IN PRESENT UNREALISTIC EXCHANGE RATE FOR CROWN VIS-A-VIS HARD CURRENCIES AND/OR CHANGE IN SYSTEM OF TUZEK COUPONS PURCHASEABLE IN HARD CURRENCY. SOME IMPORTED WESTERN GOODS PREVIOUSLY OBTAINABLE ONLY IN TUZEX STORES HAVE NOW BEEN PUT ON SALE (AT HIGH PRICES) IN ORDINARY STORES, AND ONE VERSION OF RUMOR HAS IT THAT VOLUME OF TUZEX OPERATIONS WILL BE DRASTICALLY REDUCED WYILE MORE REALISTIC CROWN/HARD-CURRENCY EXCHANGE RATE WILL BE INTRODUCED. IN THIS REGARD IT MAY BE SIGNIFICANT THAT JEWELRY STORES HAVE RECENTLY RAISED CROWN PRICES OF ITEMS OF RELATIVELY HIGH INTRINSIC WORTH (E.G. OLD GOLD JEWELRY) BY 50 PERCENT OR MORE.

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PAGE 02 PRAGUE 02696 201058Z

2. SO FAR WE HAVE BEEN UNABLE TO OBTAIN EXPLANATION FROM

OFFICIAL SOURCES AS TO WHAT IS INTENDED. WE TEND TO BELIEVE
THAT SOME SORT OF CHANGE WILL INDEED BE MADE, BUT CANNOT
YET TELL WHAT THIS MAY PORTEND FOR EMBASSY OPERATIONS OR
FOR US SOCIAL SECURITY AND OTHER HARD-CURRENCY REMITTANCES
TO RESIDENTS OF CZECHOSLOVAKIA. SO FAR RUMORS HAVE HAD ONE
PRATICAL EFFECT, TO MAKE GENERAL POPULACE SKITTISH ABOUT INDIVIDUAL
HOLDINGS OF TUZEX COUPONS.
SHERER

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Message Attributes

Automatic Decaptioning: X
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Current Classification: UNCLASSIFIED
Concepts: CURRENCY CONTROLS, FOREIGN EXCHANGE, GOLD CRISIS
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Draft Date: 20 NOV 1973
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Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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30 JUN 2005

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TAGS: EFIN, PINS, CZ
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